1990

Nova Scotia

ANNUAL REPORT

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ANNUAL REPORT

Department of Consumer Affairs

91-03836/

Nova Scotia

His Honour
The Honourable
Lloyd R. Crouse, P.C.
Lieutenant-Governor
Province of Nova Scotia

May It Please Your Honour:

I have the honour to present to you the Annual Report of the Department of Consumer Affairs for the fiscal year ending March 31, 1990.

Respectfully submitted,

R. Colin D. Stewart

R. Colin D. Stewart
Minister

Nova Scotia

The Honourable R. Colin D. Stewart
Minister of Consumer Affairs
Province of Nova Scotia
Halifax, Nova Scotia

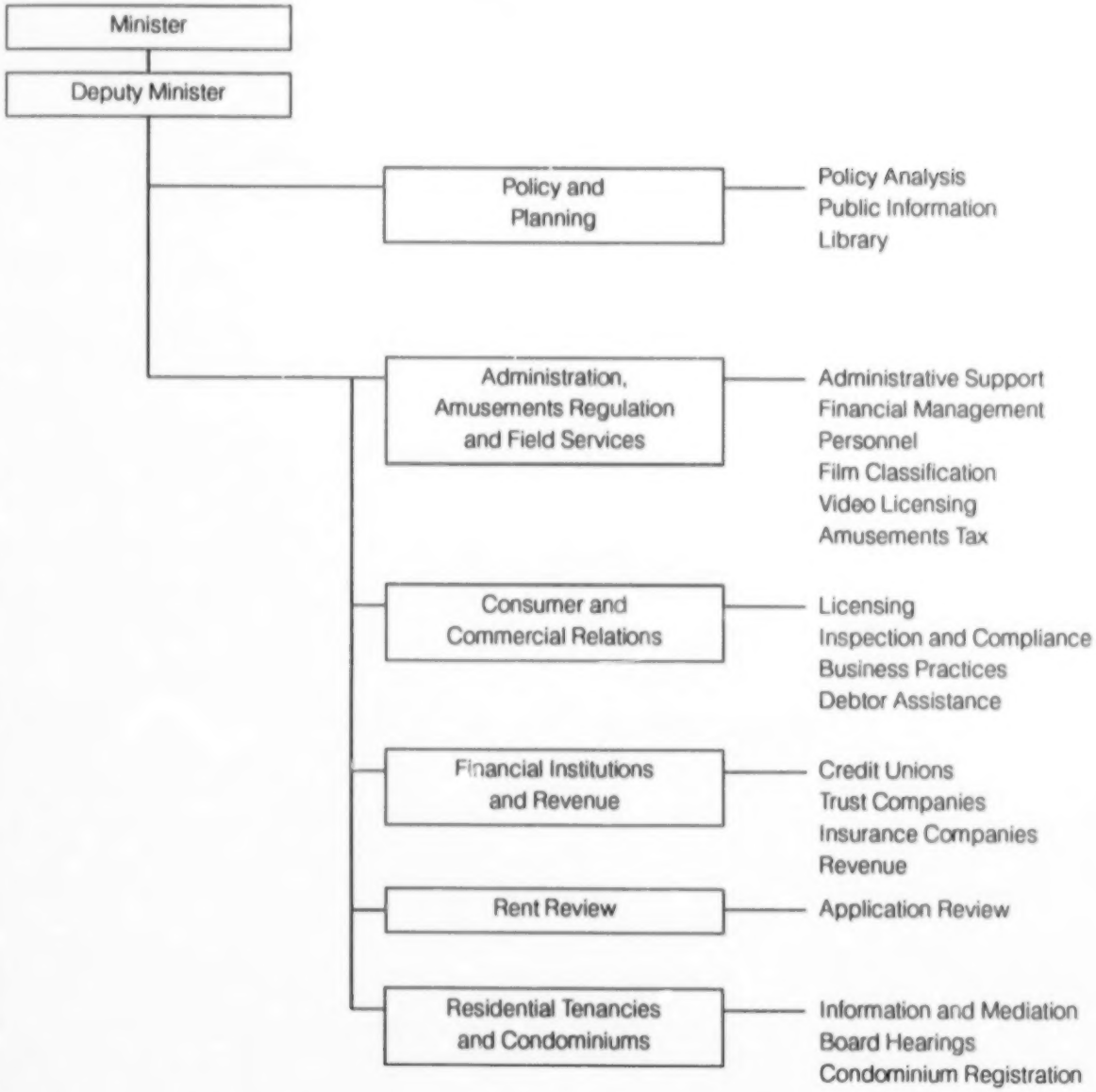
Sir:

I take pleasure in presenting to you a report of the activities of the Department of Consumer Affairs for the year ending March 31, 1990.

Respectfully submitted,

Cathy MacNutt
Deputy Minister

NOVA SCOTIA DEPARTMENT OF CONSUMER AFFAIRS



ACTS ADMINISTERED BY THE DEPARTMENT OF CONSUMER AFFAIRS

The Cemetery and Funeral Services Act

The Collection Agencies Act

The Condominium Act

The Consumer Creditors Conduct Act

The Consumer Protection Act

The Consumer Reporting Act

The Consumer Services Act

The Credit Union Act

The Direct Sellers' Licensing and Regulation Act

The Embalmers and Funeral Directors Act

The Instalment Payment Contracts Act

The Insurance Act

The Insurance Premiums Tax Act

The Loan Companies Inspection Act

The Mortgage Brokers and Lenders Registration Act

The Mutual Insurance Companies Act

Part X of the Bankruptcy Act (Federal)

The Public Accountants Act

The Real Estate Brokers' Licensing Act

The Rent Review Act

The Rental Property Conversion Act

The Residential Tenancies Act

The Tax Rebate Discounting Act (Federal)

The Theatres and Amusements Act

The Trust Companies Act

The Unconscionable Transactions Relief Act

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THE DEPARTMENT OF CONSUMER AFFAIRS

Doing more with less

The past year's efforts can be described as "doing more with less." The Department of Consumer Affairs continued to carry out its mandate of promoting fairness and integrity in the marketplace with fewer staff members and fewer real dollars than in the previous fiscal year.

A review of the department's program plan was completed in June 1989. The department looked seriously at what programs could be cut and where money could be saved in the remaining programs. We concluded that with increased computerization and improved staff training we could continue to maintain programs and take on certain new responsibilities without increasing our funding.

Our first priority continues to be the revision of legislation related to financial institutions, and this year important reforms were made to the Insurance Act and the Insurance Premiums Tax Act. The department meets regularly with other federal and provincial departments responsible for financial institutions to keep up to date with changes in the marketplace and to harmonize regulatory activities as much as possible.

In addition, the Financial Institutions and Revenue division began the initial groundwork for its revenue computerization project that will eliminate much of the paperwork associated with revenue accounting systems.

In Consumer and Commercial Relations, department staff sat on the federal-provincial working group studying the cost of credit disclosure and participated in the discussions on electronic funds transfer in banking and retail outlets. Other areas of concern include car rental insurance and telemarketing and two working groups report regularly on these issues to the provincial and federal governments.

Staff from the department continued to participate in the federal-provincial Task Force on Consumer Education and Plain Language. This year, they organized the first National Consumer Week in Canada, slated for the week of April 27, 1990. The task force continued to work on an economic life skills course for high school students. This course, entitled Project Real World, should be completed in the next fiscal year.

The department also participated in public events and distributed information for Law Day, Small Business Week, and the Women's Network Trade Fair. In addition, the department helps develop industry councils and tried to involve people employed in these industries in developing legislative and regulatory proposals. Staff of the Rent Review and Residential Tenancies divisions began to meet regularly with the Investment Property Owners Association to discuss ways the legislation and policies of these programs could be improved.

The department still supports the development of **Streetcents**, a national consumer television show for young people. The show is almost entirely produced in Halifax, featuring local actors and production crew. The remainder is produced in studios across Canada to give the program a national perspective.

Last year, the department helped finance the pilot program, Money Penny. The extremely successful pilot helped the producers attract several major sponsors, including the Canadian Bankers Association, the Royal Canadian Mint, and most provincial Consumer Affairs departments across the country.

The program teaches everyday consumer skills for young people, covering topics that range from truth in advertising to product testing and from video games to saving time. The program is successful because it provides information in an entertaining way and meets the needs of today's teenagers.

The shows were rebroadcast three times across Canada. Next year, the program will be increased to 26 episodes from 12. **Streetcents** was a finalist at the Banff film awards in the youth category.

Departmental Initiatives

Over the year, many regulations were updated to reflect increased licence fees and changes in the marketplace.

The Condominium Act regulations were amended to standardize agreements of purchase and sale, and to outline the requirements of estoppel certificates. These regulations are designed to give consumers better information before they buy a condominium.

The Rent Review Act regulations were changed to exempt smaller landlords having only one leased unit from the rent review process. The rent review guideline was set at 3 per cent.

The Residential Tenancies Act regulations were amended to increase application fees and to ensure landlords set up security deposits in separate trust accounts so that they can be returned to tenants quickly after the lease is over.

The Real Estate Brokers Act regulations were amended to increase licence fees.

The Embalmers and Funeral Directors regulations were amended to increase licence fees and to provide for a new system of study at Kingstec for embalmers. Apprentice periods for embalmers and funeral directors were lengthened.

FINANCIAL INSTITUTIONS AND REVENUE DIVISION

Working with Financial Institutions

This division coordinates activities relating to the regulation of financial institutions such as credit unions, which operate solely within the province, and trust and insurance companies, which generally operate across the country. The division also has responsibility for the revenue function of the department. The division has three major sections: Corporate Registration and Policy, Inspection, and Revenue Collection and Accounting.

The work of the **Corporate Registration and Policy** section flows from the legislative responsibilities of the Registrar of Credit Unions, the Superintendent of Trust Companies and the Superintendent of Insurance. Division staff liaise on a regular basis with both the Credit Union Central and the Stabilization Fund Board, which is the deposit protection agency for credit unions. Division staff also meet regularly with regulatory agencies in other provinces and the federal government respecting trust companies, insurance companies, and credit unions, with the object of achieving harmonious and consistent regulation of financial institutions across the country.

Seven inspectors and a Manager of Inspections carry out the **Inspections** program. This program is directed to the 96 credit unions operating in the province at the end of 1989. Each inspection is a comprehensive field examination of all facets of the operation of credit unions and trust companies, requiring, on average, 10 person-days.

The division receives monthly financial reports from all credit unions, which are reviewed for legislative requirements and to identify any developing weaknesses in the operations.

The department is the third largest producer of revenue in the Government of Nova Scotia. The responsibility of the **Revenue Collection and Accounting** section is to ensure that revenue generated from the insurance premiums tax, amusements tax, and a number of licensing statutes administered by the department is collected promptly and accounted for in an appropriate manner.

Overview

At the end of 1989, 96 credit unions were operating in the province with combined assets of $480 million. During the year three credit unions amalgamated with other credit unions, and one was wound up at the request of its members. Credit unions have grown more than 10 per cent in each of the past seven years, which indicates the level of confidence placed in these financial institutions by Nova Scotians.

There were six provincially incorporated trust companies at the end of 1989. Two of these companies are newly incorporated and have not applied for the required certificate to commence business. Three others are small companies that have not yet achieved deposit-taking status. The remaining company has grown rapidly over the three years of its existence. It accepts deposits and is also registered to operate in most other provinces. There are about 30 other trust companies operating in the province that are incorporated either federally or in another province.

There were approximately 270 insurance companies operating in the province during the year, practically all of which were federally registered. Legislative changes in 1989 now require them to have a Nova Scotia licence, issued by the Superintendent of Insurance. Regulations setting out requirements were being developed at year end and the licensing process will begin in the new fiscal year.

A total of 114 inspections of financial institutions were completed during 1989, including the four operating trust companies. In addition, 20 follow-up reviews were made to see that corrective measures were in place where earlier inspections had identified deficiencies.

Revenue	1988-1989 Amount	%	**1989-1990 Amount**	**%**
Insurance premiums tax	$16,650,670	66.7	**$21,561,311**	**69.7**
Fire Insurance Tax	1,636,377	6.5	**1,391,851**	**4.5**
Cable TV Tax	3,618,802	14.5	**4,030,111**	**13.0**
Theatre Amusements Tax	1,084,454	4.3	**1,208,895**	**3.9**
Other amusements tax	1,202,631	4.8	**1,736,361**	**5.6**
Pari-mutuel tax	285,749	1.2	**308,213**	**1.0**
License fees	398,120	1.6	**461,814**	**1.5**
Condominium fees	71,643	0.3	**86,904**	**0.3**
OPD Administration	n/a		**167,347**	**0.5**
Other	12,427	0.1	**96**	**0.0**
TOTALS	$24,960,873	100.0	**$30,952,903**	**100.0**
Receipts under the Orderly Payment of Debts Program	$1,962,551		**$2,055,873**	

During the 1989-90 fiscal year total departmental revenues increased $6 million, to $30.9 million. This increase resulted from a 1 per cent increase in insurance premiums tax rates. The insurance premiums tax accounts for almost 70 per cent of total revenue.

The amounts received are largely consistent from year to year. In addition to the insurance premiums tax increase referred to above, there were significant increases in cable television tax as well as theatre and other amusements taxes.

During the year all general insurers operating in the province became members of a newly established national consumer protection plan. The plan will provide coverage of up to $200,000 per claim to Nova Scotia consumers who have insured with a failed general insurance company. There were about 150 general insurance companies and about 100 life insurance companies operating in Nova Scotia at the end of 1988.

A total of $2,055,873 was received in trust under the Orderly Payment of Debts program for distribution to creditors. This is a federal program administered by the province and regulations were changed during the year to provide administrators with a fee of 10 per cent of amounts distributed to creditors.

This fee produced revenue of $167,347 for the year, having been in effect for the final three quarters. The fee does not effect any clients of the program. It is deducted from payments made to creditors.

Highlights

> During the year the Insurance Act was amended to require all insurers doing business in the province to be licensed by the Superintendent of Insurance. The act also authorized insurance reciprocals to operate in the province, which can provide a cost-effective way for groups to purchase liability insurance.

> In January 1990 a national consumer protection plan was established for life and health insurers. The plan will ensure that life and health policyholders will not lose their benefits if the issuing insurer goes bankrupt.

> There are now consumer protection plans relating to all types of financial institutions regulated by the division, including credit unions, trust and loan companies, and insurance companies.

New initiatives

> The department began to automate revenue accounting procedures. Outside consultants studied functional requirements and recommended computer system hardware and software. The system will be developed in the new year. The department anticipates that this system will be integrated with its computerized licensing and Orderly Payment of Debts accounting systems in the future.

> Division staff worked with their counterparts in other provinces to find ways to improve legislation respecting trust and loan companies and to make the regulation of the financial sector more consistent across the country.

CONSUMER AND COMMERCIAL RELATIONS DIVISION

Protection for Consumers

As unemployment and the cost of living rise and access to credit eases, many consumers continue to experience extreme hardship with respect to repaying their debts.

Such financial difficulty has led many consumers to seek the services of our **Debtor Assistance Program**. The number of households counselled under the program increased by more than 15 per cent over last year. During the past fiscal year, there has been a slight increase in the number of consolidation orders issued under Part X of the Bankruptcy Act. This increase is not confined to the Halifax Metropolitan area alone, but appears to be a general trend throughout the province.

Once consolidation orders are issued, families are better able to cope with daily life and to regain a sense of control and self-esteem. The interest on their debt is stabilized at 5 per cent under a consolidation order, and they must agree not to take on any new credit during the life of the order.

Consumer contact with the **Business Practices** section remains constant as many consumers find themselves in need of assistance in the marketplace.

Through effective mediation, staff are able to present consumer concerns to businesses and to seek advice on possible solutions that might be available.

Staff continue to work very closely with other government agencies, corporations, financial institutions, and the business community in interpreting consumer legislation and developing sound consumer advocacy policies.

Inspection and Compliance staff ensure that all firms comply with the provisions of the legislation under which they are regulated and that consumers be protected in the marketplace.

Licensing regulates a large part of the marketplace, determining who is qualified to be involved in real estate sales, door-to-door selling, collections, lending, funeral services, and other types of businesses.

The section processes applications for licences required under eleven statutes the department administers. Often, examinations must be written and bonding or contractual requirements met before a licence is issued. Licensing helps to provide a measure of consumer protection by ensuring that applicants have met the minimum standards set out by the legislation before they begin working.

Overview

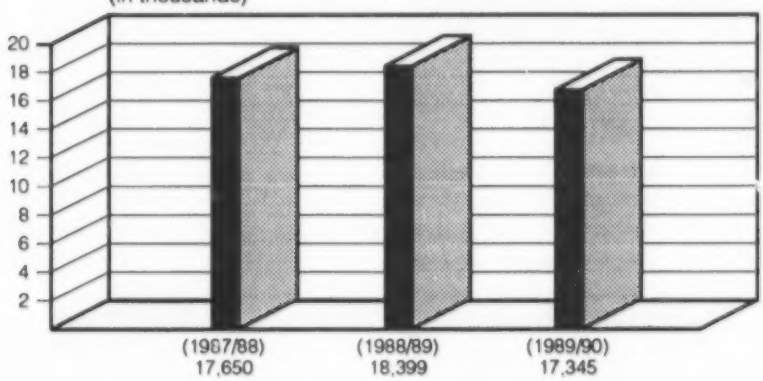
At present, the debtor assistance program administers approximately 1,444 consolidation orders. In the past year approximately $2,230,662 was disbursed to creditors. Our disbursements continue to show a marked increase over the previous year and again represent a better financial return paid to creditors.

Staff continue to offer direct financial counselling to persons who may be experiencing difficulties but who may not require consolidation through Orderly Payment of Debts. Budget counselling offers alternatives to consumers rearranging their payments so as to best use their regular monthly earnings. Quite often staff are able to mediate arrangements that are good for both the creditor and the consumer without the need of a consolidation order.

Often, consumer inquiries to the Business Practices section relate to the mail order industry or to telemarketing, and staff have to keep informed on all new schemes, offers, or scams to be able to inform consumers of the possible problems associated with each.

The car industry continues to demand a large amount of counsellor involvement as most consumers today trade vehicles often and many families have two or three vehicles. Dealerships and service centres appear to be reasonable and to want to maintain consumer satisfaction.

Consumer Complaints & Inquiries *
(in thousands)



* Includes both telephone and written complaints and inquiries

Consumer Complaints and Inquiries
Percentage of Complaints by Type April 1, 1989 to March 31, 1990

Type of Written Complaint	Number	%
Automobiles	1,926	21
Consumer goods and services	1,532	17
Contractors	595	6
Mail orders	759	8
Home furnishings, rugs and drapes	286	3
Direct sellers	213	2
Appliances	424	5
Professional services	175	2
Collection agencies	484	5
Consumer loans	275	3
Insurance	778	8
Other	1,869	20
TOTAL	9,316	100

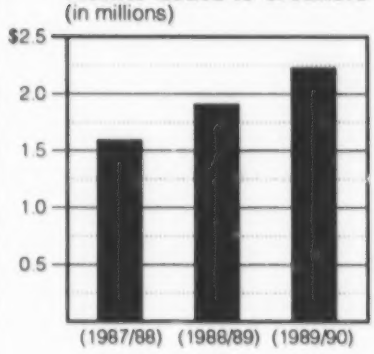
Demand continues for our speaking engagements as staff maintain an educational program geared towards consumer awareness in the marketplace. Many youth employment programs and schools seek input into their ongoing educational programs on all facets of mediation and financial counselling services.

The Inspection and Compliance section continued to expand its enforcement activity. Over 300 inspections and investigations were performed. Over 256 person-days were spent conducting investigations and audit inspections, many of which involved cooperation and interaction with other enforcement agencies. These investigations and inspections resulted in a number of disciplinary hearings and a variety of remedial actions. Over 120 person-days were spent in hearings and special meetings where findings were presented.

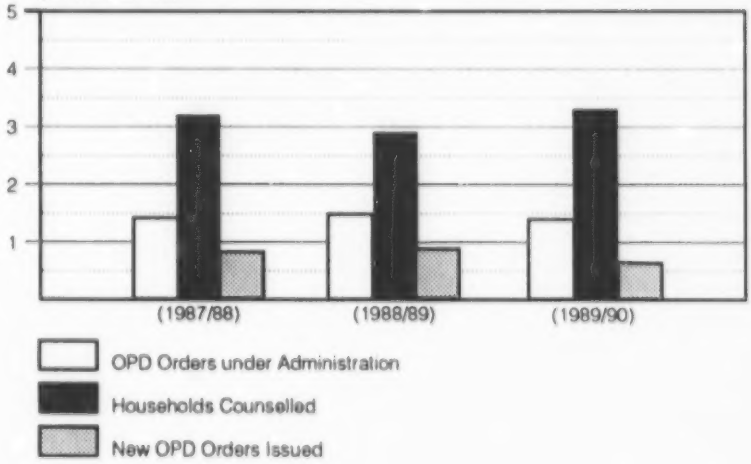
The section investigated the activities of several practitioners of licensed industries.

A general insurance agent was discovered arranging loans for fictitious insurance policies and using the loan proceeds for his own use. The insurance agent had obtained more than $20,000 through four similar transactions.

Monies Issued to Creditors
(in millions)



Debtor Assistance
April 1, 1986 to March 31, 1990
(in thousands)



Debtor Assistance
April 1, 1989 to March 31, 1990

Households counselled	3,290
Consolidation orders issued	577
Referrals to bankruptcy	334
Consolidation orders in effect	1,444

The general agent's licence was revoked. The agent is appealing the decision of the Deputy Superintendent of Insurance through the courts. Criminal charges have been laid through the Attorney General's department.

A complaint of irregularities related to the submission of life insurance premiums led to an investigation of a life insurance agent. The investigation revealed unusual delays in remitting premiums, failure to remit monies collected, amending temporary life insurance collected, amending temporary life insurance agreements without the consent of the parties, and submitting false medical information.

During this investigation, the sponsoring insurer withdrew sponsorship of the agent, who filed a new application. The Deputy Superintendent referred the matter to an advisory board, which held a hearing with the agent and reviewed the entire matter. The board recommended that no licence be issued. The Deputy Superintendent refused to issue a licence. The individual is appealing the decision of the Deputy Superintendent through the courts. This matter is also before the criminal court.

This particular case was the first time an advisory board was set up under amendments to the Insurance Act made in 1989. The advisory board is composed of members of the insurance industry and an appointee of the Deputy Superintendent. The department values their assistance in matters of discipline and conduct of members of the industry.

A firm that markets encyclopedias under the Direct Sellers' Licensing and Regulation Act was discovered selling without a licence. After a hearing, the firm was required to pay to the department the fees for the unlicensed salesperson. In addition, the president was required to provide an Assurance of Voluntary Compliance, admitting to the wrongdoings and providing written assurance that such contraventions would not occur in the future.

An inspection of a real estate broker under the Real Estate Brokers' Licensing Act disclosed that the firm had operated an interest-bearing trust account. Interest totalling more than $10,000 accrued directly to the firm. The Superintendent of Real Estate ordered the firm to make pay to the vendors and purchasers the interest owed on each of the deposits.

A complaint filed by a consumer regarding abusive and irregular collection tactics led to an investigation of a collection agency. The agency was permitting new employees, who were training to be collectors, but who did not hold valid collectors' licences, to contact debtors to arrange payment of debts. The individuals used the name of a licensed collector employed by the firm who was responsible for their training. Both the firm and the collector were charged under the Collection Agencies Act. The agency was charged with three violations while the collector was charged with one. The agency and collector pleaded guilty to the charges and were fined $100 for each charge.

In another case, the department was advised of a real estate broker allegedly submitting false water test reports to a mortgage lender in order to ensure the sale of the property. Departmental staff investigated this matter and several other concerns that later came to light. The matter was referred to the Attorney General's Department for further investigation who referred it on to the R.C.M.P. This matter is presently before the courts.

The section also inspected a branch office of a lender and determined that the firm had miscalculated in their favour the amount of interest charged on paid-in-full conditional sales contracts. The contracts had been paid out prior to maturity and had a three-month no-interest clause. The lender was required to review all such conditional sales contracts in the branch that had been paid in full over the preceding year, and to repay consumers who had been overcharged on the payout amount.

The section also carried out inspections under the Mortgage Brokers and Lenders Registration Act, Tax Rebate Discounting Act, and the Consumer Reporting Act. In addition, inspections of a number of funeral homes under the Embalmers and Funeral Directors' Act and the Cemetery and Funeral Services Act were performed.

Total Number of Inspections/Investigations

1988-89	133
1989-90	303

Person-days Audit Inspections/Investigations

1988-89	216
1989-90	256

Person-days Special Meetings and Hearings

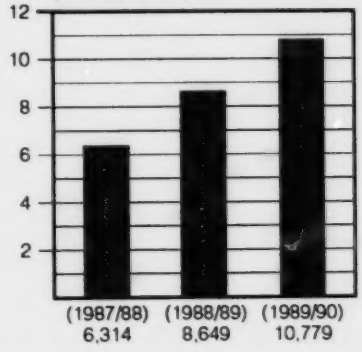
1983-89	110
1989-90	122

Licensing Section Statistical Summary

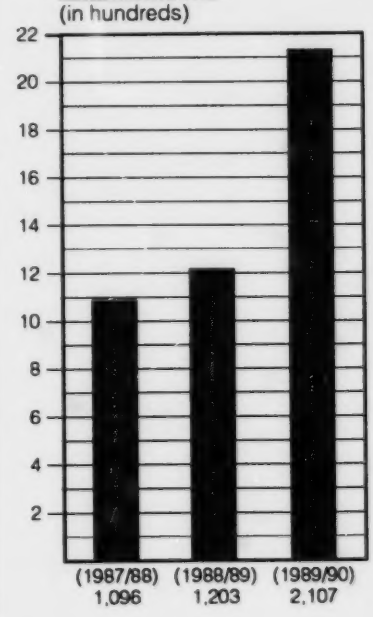
Licenses Issued	1987-88	1988-89	**1989-90**
The Cemetery and Funeral Services Act	221	160	**234**
The Collection Agencies Act	124	223	**176**
The Consumer Protection Act	128	171	**288**
The Consumer Reporting Act	13	13	**11**
The Direct Sellers Licensing and Regulation Act	2,741	2,823	**2,942**
The Embalmers and Funeral Directors Act	380	454	**433**
The Instalment Payment Contracts Act	108	94	**95**
The Insurance Act*	*2,950	*2,182	**4,241**
The Mortgage Brokers and Lenders Act	242	212	**241**
The Real Estate Brokers Licensing Act	2,349	2,315	**2,116**
The Tax Rebate Discounting Act	8	2	**2**
TOTAL	6,314	8,649	**10,779**

*Not added in total prior to 1988-89 reorganization.

Licenses Issued
(in thousands)



Examinations
(in hundreds)



Highlights

> This year, over 3,290 households came to the Debtor Assistance Program for counselling.

> Licensing procedures under the Insurance Act underwent further change this year. Licenses issued to life insurance agents and agencies are now subject to an anniversary renewal date and are issued for a three-year term. This produces an increase in revenue for this fiscal year that is not consistent with previous years. The three-year licence is less costly for the department to administer and more convenient for the brokers.

> During the last year, the Nova Scotia Real Estate Association has assumed some of the responsibility for the administration of the pre-licensing examination process under the general supervision of the Superintendent of Real Estate. This is the second major responsibility undertaken by the association in the past several years, and the section anticipates further co-regulatory initiatives in the future. The first responsibility was the administration of the Real Estate Assurance Fund, undertaken in 1987.

New Initiatives

> Subsequent to the passage of a number of amendments to the Insurance Act last year, the Director of Consumer & Commercial Relations and the Senior Licensing Officer sat on a Regulations Review Committee comprised of representatives from the life, general, and adjuster sectors. This has been a major initiative and at year end, the first portion of the regulations, dealing with general administrative matters, was in the final draft stage. Further meetings are anticipated; there are a number of significant matters which must still be addressed.

> *Regulations Review Committee members:* Mr. Terry Ball; Mr. J. Dickson Crawford; Mr. Al Mombourquette; Mr. Al MacNeil; Mr. Al Ferguson; Mr. Stan Brechin; Ms. Heather Winters; Mr. John Bennett; Mr. Barry Finnamore; Mr. Ed Morgan

> Amendments to the regulations under the Embalmers & Funeral Directors Act received approval this year. These regulations established a new embalmer study course which is being offered by Kingstec Community College in New Minas. This is a ten-month course, which is a prerequisite to acceptance as an apprentice embalmer. This initiative was the culmination of a great deal of effort by the Board of Registration of Embalmers & Funeral Directors, Kingstec Community College, and the department, and has resulted in a much-improved course of study for this profession.

> The Cemetery and Funeral Services Act Regulations were amended to ban door-to-door sales and telephone solicitation of cemetery or funeral services. This action was taken as a result of complaints to the department from consumers regarding calls of this type, and the disturbing nature of these calls, particularly to households experiencing serious illness or recent death.

RESIDENTIAL TENANCIES AND CONDOMINIUMS DIVISION

Resolving Landlord/Tenant Disputes

The Residential Tenancies Division offers information to the public on the rights and obligations of landlords and tenants of residential premises. Typical inquiries may include required periods of notice to quit, calculation of interest earned on security deposits, and remedies available to the parties in conflict.

Residential Tenancies Officers attempt to mediate formal, written complaints. If a dispute cannot be resolved, either party can file an application for a Residential Tenancies Board hearing with the County Court. A $10 fee is charged for each county court application and both are forwarded to the appropriate County Court for referral back to the Residential Tenancies Board.

After ensuring both parties have been served a notice of the hearing, a board hears the evidence and prepares a report and recommendation to the County Court. Either party may file a notice of objection in County Court within seven business days of the report being signed; otherwise a County Court Order may be issued to enforce the report.

This year, Executive Council approved important regulations governing the keeping of security deposits by landlords. These spell out the need to keep security deposits in a trust account, separate and apart from the general bank account operated by the landlord.

The division has acquired a personal computer for the Halifax office and has automated its complaint ledger maintenance, residential tenancy officers' and regional boards' activity reports, as well as information on registered condominium corporations.

The **Registry of Condominiums** receives, reviews, and approves documents submitted on behalf of condominium project developers. The Condominium Act requires submission of detailed information concerning such items as the title to the property, building specifications, and the rules of occupancy of the units and common elements, including the percentage contribution of unit owners to the common expenses. Detailed survey, architectural, mechanical, and electrical plans must be provided prior to registration of a condominium.

This division is also responsible for administration of the Rental Property Conversion Act. The Act and its regulations prohibit the conversion of rental property to any other use except where conversion to a condominium is proposed by a non-profit community group to provide housing for people with special needs.

Condominium properties are exempt from the Rental Property Conversion Act for a period of two years from the date of registration. This helps the developer to recover some of the ongoing expenses of the project by leasing in the initial two-year period.

Overview

During the past year, the nine offices throughout the province responded to 50,107 residential tenancies inquiries received by telephone, letters, and office visits. Of the 4,368 written complaints received, 2,733 (62.6 per cent) were mediated.

Throughout the year, staff participated in various presentations to groups including the Halifax/Dartmouth Real Estate Board and Investment Property Owners Association of Nova Scotia and provided assistance to the department at mall displays and other public information sessions.

The Registrar of Condominiums approved 18 registrations during 1989-90, creating a total of 394 units. Revenue of $91,789.05 was received in registration fees. Twenty-two proposed registrations were pending at year-end.

Condominium development continues to be concentrated in the Halifax/Dartmouth metro area, although this year three projects have been registered in counties other than Halifax, the largest number in one year to date. The majority of total registered units are residential.

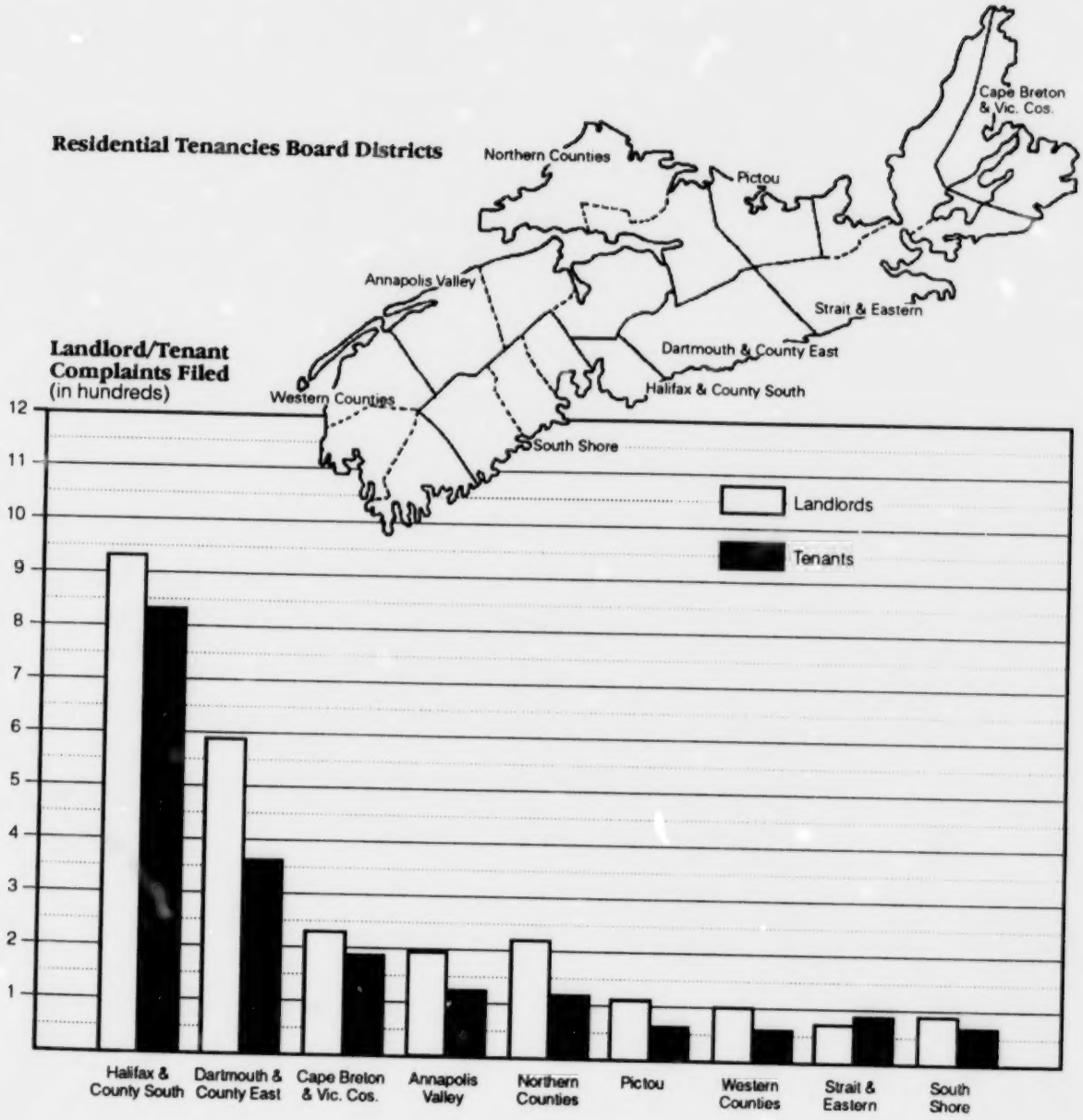
Over the past year, Executive Council approved regulations governing the agreements of purchase and sale for condominium units, and also regulated the items that must be contained in an estoppel certificate. These are important changes that ensure a new purchaser is advised if there are pending large expenses for such things as a new roof, or if there is a lawsuit, for example.

Board	Written Complaints	Board Hearings
Halifax and County West	1,760	743
Dartmouth & County East	952	330
Cape Breton & Victoria Counties	410	202
Annapolis Valley	319	144
Western Counties	154	70
Northern Counties	317	64
Pictou County	168	34
South Shore	145	58
Strait & Eastern Counties	143	35
Carry-over hearings from previous year		-45
TOTAL	4,368	1,635

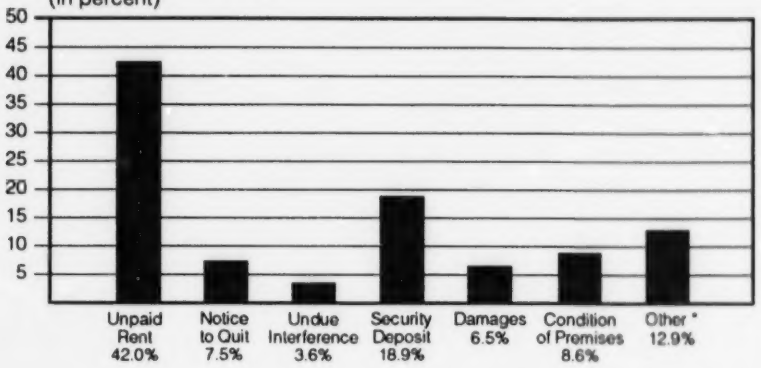
Complaints Mediated: 2,733 (62.6%)

Residential Tenancies Inquiries by Regional Board, 1989-90

	Telephone	Correspondence	Visit
Halifax & County West	15,788	259	2,001
Dartmouth & County East	9,982	12	2,508
Cape Breton & Victoria Counties	3,959	169	1,494
Annapolis Valley	3,066	150	927
Western Counties	1,447	56	705
Northern Counties	1,807	28	683
Pictou County	2,033	1	595
South Shore	757	53	275
Strait & Eastern Counties	973	—	379
TOTALS	39,812	728	9,567
Total Inquiries:	**50,107**		


Residential Tenancies Board Districts
Northern Counties
Pictou
Cape Breton & Vic. Cos.
Annapolis Valley
Strait & Eastern
Dartmouth & County East
Halifax & County South
Western Counties
South Shore
Landlord/Tenant Complaints Filed
(in hundreds)
Landlords
Tenants
12
11
10
9
8
7
6
5
4
3
2
1
Halifax & County South
Dartmouth & County East
Cape Breton & Vic. Cos.
Annapolis Valley
Northern Counties
Pictou
Western Counties
Strait & Eastern
South Shore

Complaints by Type
(in percent)



* Other includes:

Rent Overpayment	1.8%	Rent Increase	0.7%
Barred Access	0.7%	Leases	1.1%
Entry of Premises	0.5%	Rent Review	0.1%
Deletion of Services	1.7%	Other	6.3%

Condominium Registrations

Year (1972-90)	Registrations	Residential Units	Commercial Units
72-73	1	91	
73-74	2	169	
74-75	6	570	
75-76	3	327	
76-77	2	151	
77-78	4	110	
78-79	4	154	
79-80	0	0	
80-81	0	0	
81-82	8	544	4
82-83	5	130	1
83-84	7	217	0
84-85	13	230	0
85-86	32	665	20
86-87	29	618	57
87-88	31	1,029	2
88-89	9	410	2
89-90	18	394	3
TOTAL	174	5,809	89

RENT REVIEW DIVISION

Reviewing Rental Increases

In 1975, the Rent Review Act established the Rent Review Commission, to provide for the review of rents.

The Rent Review Division has a mandate to ensure that rent increases comply with the legislation, and to offer assistance to tenants and landlords with respect to renting in Nova Scotia. Except where a unit is exempt, all requests for rent increases for residential units must be filed with the division.

All rental units are exempt from the Rent Review Act, by regulation, for the balance of the first year occupied and the following three full calendar years. Two additional exemptions became effective the first of January 1990:

- all two-unit buildings where the landlord occupies one of the units as his/her principal residence and
- all single detached residential premises, provided the landlord has only one single detached residential premises for rent.

By September 1 each year, the government sets the percentage increase guideline for the next calendar year. This year the guideline increase was set at 3 per cent. A rental increase below or at the guideline must be filed with the division, but does not require a review. An officer reviews any increase exceeding the guideline and writes a decision. If a landlord or tenant objects to the officer's decision, he or she can appeal to the Rent Review Commission.

The Rent Review Commission is the appeal body for rent review and acts as an administrative tribunal, ensuring that the provisions of the Act and the Regulations are applied fairly to landlord and tenants. It consists of a chairman, a secretary, and twenty part-time commission members.

Overview

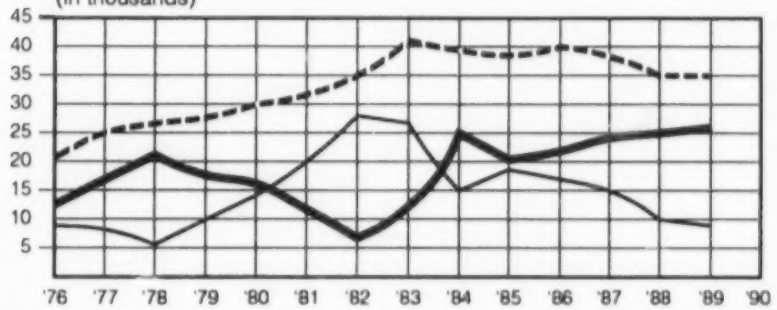
The total number of rent increase applications processed during the 1989 calender year was 34,863. Of these, 8,519 or 24 per cent were requests for increases in excess of the 3 per cent guideline. This represents an increase of about 2 per cent over 1988. Note that these statistics relate to the calendar year to reflect the application of the legislation.

In total, 1,261 decisions were rendered by the rent review officers in 1989. Each decision will generally affect the total residential units contained within a building. Approximately 6 per cent of the decisions rendered were appealed to the Commission. The number of decisions appealed over the past few years has been decreasing at an accelerated rate compared to the number of applications for increases in excess of the guideline. Familiarity, by landlords and tenants, with the legislation and process has also contributed to the decrease in decision appeals.

During 1989, 11,298 phone calls were received and handled by division staff. This represents a 25 per cent decrease from 1988.

Throughout the year, division staff spoke at 11 training sessions for the Nova Scotia real estate industry. Staff also participated in the annual seminar/convention of the Investment Property Owners Association of Nova Scotia (IPOANS) as well as the annual seminar of the Cape Breton branch of IPOANS (IPOACB). These educational sessions provide a useful way for staff to inform others about the Rent Review program, and helped to reduce the number of calls and inquiries coming into the department.

Rent Increase Notices Since Inception
(in thousands)



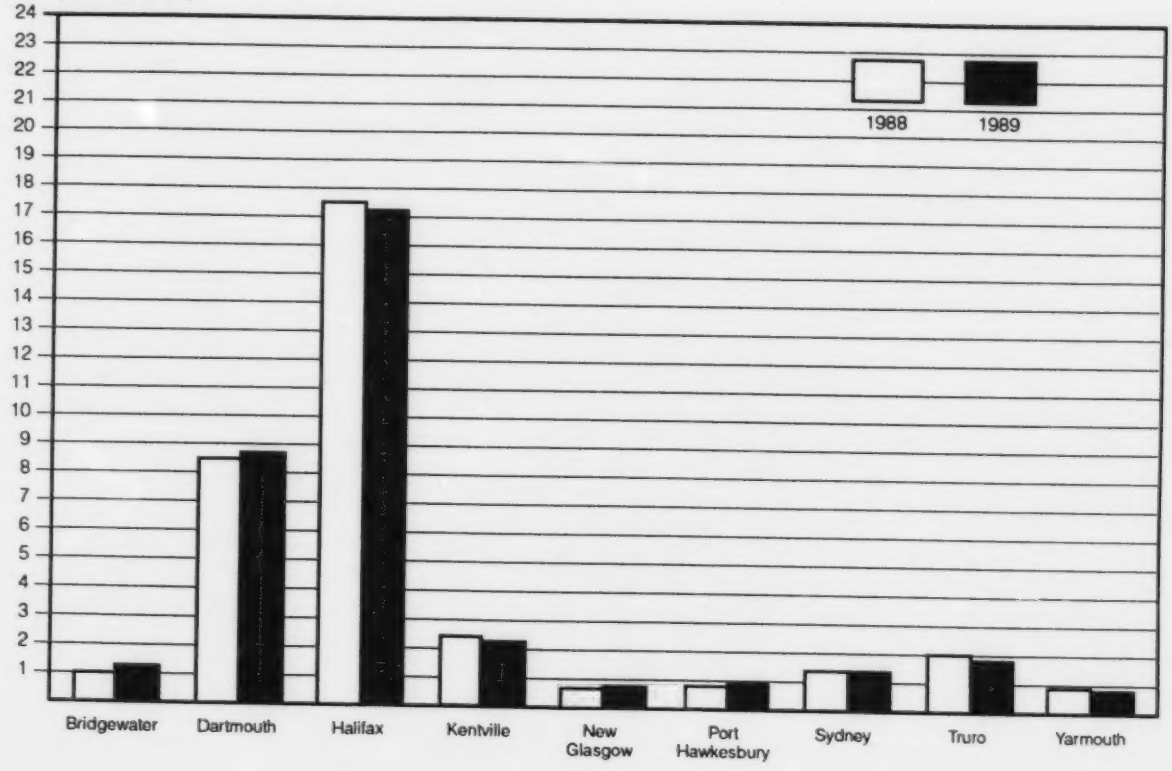
Highlights

- On 1 January 1990, two new classes of residential rental units were categorized as exempt from the provisions of the Rent Review Act and its regulations.
- In 1989 a computer-assisted worksheet program was both developed and utilized by Rent Review Division staff.
- During 1989 a Rent Review Commission decision was appealed to the Supreme Court as a result of an exemption challenge. The Court upheld that where there were extensive renovations to a building, but no new units created, an exemption did not exist.

New Initiatives

> Because the Rent Review process consists mainly of spreadsheets, data bases, and word processing, the division is ripe for full computerization. With this in mind, staff of the division have been busy developing numerous computer software applications for use by the division. Some of the applications that are being developed include a complete landlord and address listing, full computerization of monthly and yearly statistics, and a standardized wording for computer-generated decisions.

Rent Review Applications Received for Major Centres
1988 / 1989 Comparison
(in thousands)



Applications Received, Calender Years 1988 and 1989

Applications (Units)	1988 Number	1988 %	1989 Number	1989 %
Over annual guideline	9,226	26.75	8,519	24.44
Under annual guideline	25,266	73.25	26,344	75.56
Total applications	34,492	100.00	34,863	100.00

Comparison of Applications Received Calender Years 1988 and 1989

	1988	1989	% Change
Total applications	34,492	34,863	+2%
Over guideline	9,226	8,519	-8%
Under guideline	25,266	26,344	+4%
Decisions (properties) rendered by Rent Review Officer	1,423	1,261	-11%
Requests to Commission for decision review	76	72	-5%
Percentage of officers' decisions appealed	5.34%	5.71%	
Phone calls received	15,011	11,298	-25%
Miscellaneous	1,185	1,193	+0.7%

Number of Applications Received by Major Centres* in 1988 and 1989

Area	1988	1989	% Change
Halifax	17,100	17,090	-0.1%
Dartmouth	8,279	8,619	+0.4%
Truro	1,955	1,825	-0.7%
New Glasgow	678	753	+11%
Port Hawkesbury	818	919	+12%
Sydney	1,383	1,375	-0.1%
Kentville	2,334	2,188	-6%
Bridgewater	1,077	1,237	+15%
Yarmouth	868	857	-1%
TOTALS	34,492	34,863	+2%

*Figures include applications which were both over and under the guideline for the area indicated and includes the surrounding municipalities and counties.

ADMINISTRATION, AMUSEMENTS REGULATION AND FIELD SERVICES DIVISION

The **Administration** section ensures the department has the tools to do its job. Budget control, leasing of office space and equipment, and liaising with other government departments all occur daily. In addition, the division is responsible for overseeing the general management and administration of the network of regional offices that the department has strategically located throughout the province.

The **Support Services** unit provides personnel management and financial support services. The preparation of the department's annual estimates as well as the general management of the departmental budget are duties of support services staff. They ensure proper accounting and other financial procedures are followed and are responsible for acquiring equipment, furniture, and other office supplies.

This year was busy because the department's lease for office space expired. New tender documents had to be prepared and advertised. Space requirements have changed dramatically. With the department's reorganization, the office layout has to be rearranged along functional lines. At year end staff were completing arrangements for the interior design and layout of the existing office space to incorporate organizational changes and health and safety needs.

After almost a year of notice and preparation, the department instituted a no-smoking policy, effective March 1, 1990. This policy applies to all our offices throughout the province.

The department formed an Occupational Health and Safety Committee this year, and conducted an audit of all offices to look for unsafe conditions. Several immediate concerns were addressed, and the committee continues to meet regularly. This year over 15 staff members received First Aid Training and approved First Aid Kits were placed in all offices.

Members of the Occupational Health and Safety Committee are: Dennis Holland, Robert Warnell, Don Cluett, Valerie Bobyk, Bill Hale, and Emily Sidey.

Human resource management is a key function of the Support Services unit. The efficient management of a department's human resources is integral to the overall success of the department. Conducting staffing competitions, monitoring and identifying staff training needs, and developing internal personnel policies are activities performed daily by the unit.

The **Computer Services** unit of the division is responsible for the day-to-day operations of the departmental DEC PDP 11/73 mini-computer. This computer runs the Orderly Payment of Debts accounting system and generates licences for various regulated industries.

The department has also acquired a number of micro-computers which help to streamline the delivery of departmental programs. The initial development of the departmental Long Range Systems Plan (L.R.S.P.) and the updating of the L.R.S.P. on a regular basis are also responsibilities of the staff of this work unit. The unit was also involved this past year with a study of the revenue function of the department in order that it may be automated in 1990-91.

The **Field Services** section of the division is responsible for delivery of departmental programs through field offices located across the province. All programs and services are available at each field office.

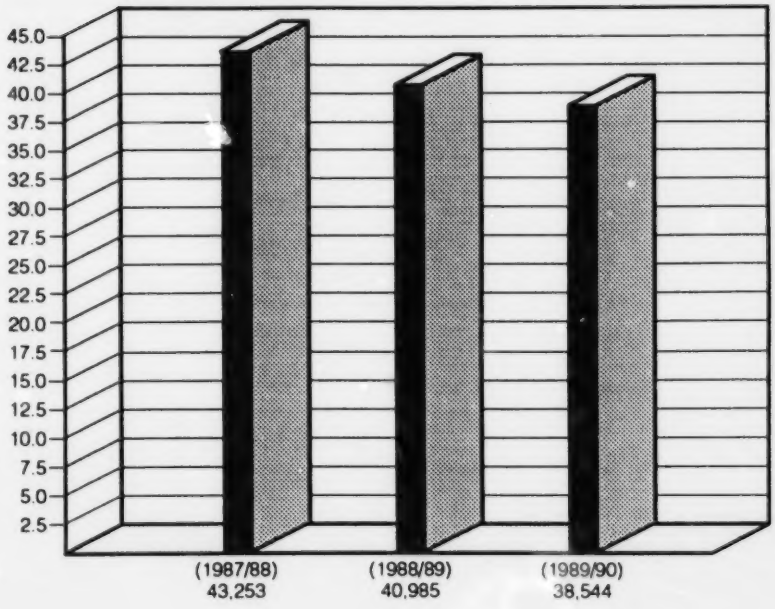
Over the past several years the department has provided training in the various program areas to ensure that staff in the field offices can give effective services. The regional manager in Cape Breton is responsible for the Port Hawkesbury and Sydney offices, while mainland Nova Scotia is the responsibility of the field services manager based in Halifax. Each year the department sponsors a training and development conference, which updates staff on any changes in program delivery and which enables the staff in the field to meet with those at head office.

Overview

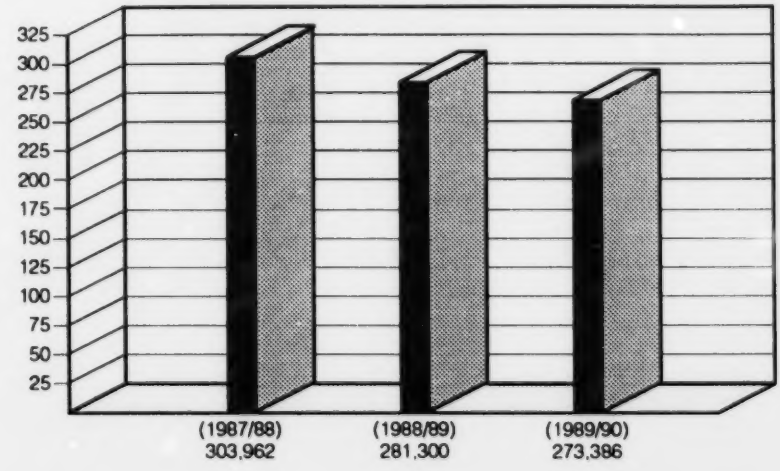
Field Offices

Port Hawkesbury
Sydney
Yarmouth
Kentville
New Glasgow
Truro
Bridgewater
Antigonish
Dartmouth

Visits to Department Province-Wide
(in thousands)



Telephone Calls to Department Province-Wide
(in thousands)



The **Amusements Regulation** section is responsible for four program areas:

> licensing of places of amusement, theatres, video stores and special entertainment events

> inspecting licensed premises

> collecting amusement taxes and admission tickets

> providing a classification service for all films and video cassettes.

Two inspectors work exclusively in compliance and amusement tax remittance in Halifax/Dartmouth under the Manager, Field Services and Amusements, and there is one inspector in the Sydney Field Office.

The Amusements Regulation Board is composed of a full-time chairperson and part-time board members. The board classifies all film and video cassettes for sale, rent, or exhibition in Nova Scotia.

Attendance by Type of Event

Type of Event	1987-88	1988-89	**1989-90**
Theatres (movie and live)	2,183,339	2,197,054	**2,215,653**
Itinerant houses	470,032	400,747	**592,848**
Lounges, beverage rooms & cabarets	1,536,896	1,597,316	**1,325,902**
Boxing, hockey, wrestling and other professional sports	332,995	368,627	**448,411**
Horse racing	47,893	28,748	**35,591**
Other events	948,321	1,008,552	**1,175,860**
TOTAL	5,519,476	5,601,044	**5,794,265**

Video Retail Outlet Licenses Issued

1987-88	1988-89	**1989-90**
1,076	974	**1,212**

The number of retail video outlets increased partly because increased field inspections uncovered previously unlicensed premises.

In 1989-90 the number of videos to be classified began levelling out reflecting a general decrease in the available new product.

Film Classification

Type of Film	1987-88	1988-89	**1989-90**
35mm			
General	14	22	**18**
Adult	136	60	**135**
Restricted	56	144	**61**
Rejected	0	0	**0**
TOTAL	206	226	**214**
16mm			
General	2	2	**0**
Adult	3	4	**1**
Restricted	2	2	**1**
Rejected	0	0	**0**
TOTAL	7	8	**2**
Video			
General	291	278	**258**
Adult	913	641	**712**
Restricted	925	1,116	**782**
Rejected	35	35	**21**
TOTAL	2,164	2,070	**1,773**

Origin of 35mm films classified

Country	1987-88	1988-89	**1989-90**
United States	133	128	**122**
Great Britain	10	18	**14**
Canada	13	33	**45**
France	8	4	**3**
Italy	0	0	**2**
West Germany	1	2	**0**
Japan	5	5	**12**
Soviet Union	4	3	**2**
Austria	1	1	**1**
Africa	0	2	**0**
China	1	4	**2**
Spain	1	2	**0**
Other	27	24	**11**
TOTAL	204	226	**214**

Number of Amusement Licenses Issued 1987-1990

Licenses Issued	1987-88	1988-89	1989-90
Films and Theatres:			
Theatres	46	43	**41**
Projectionists	80	70	**94**
Apprentice projectionists	11	10	**20**
Projection machines	92	90	**88**
Film exchanges	52	68	**85**
Film certificates	1,293	1,490	**1,497**
Other Licenses:			
Itinerants	12	8	**11**
Racetracks (horse)	3	2	**4**
Festivals (outdoors)	5	3	**8**
Places of amusement	632	619	**719**
Video outlets	1,072	974	**1,212**
TOTAL	3,298	3,379	**3,779**

Two drive-in theatres did not renew their licenses this year.